

Introduced by Senator Wiggins

February 23, 2007

An act to add Section 750 to the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 780, as introduced, Wiggins. Telecommunications: rates.

Existing law authorizes the Public Utilities Commission to supervise and regulate every public utility in the state, including telephone corporations, and to fix just and reasonable rates and charges for the public utility.

This bill would declare the intent of the Legislature to continue the policy of basing rural telecommunications service rates on urban rates, and to continue the universal service program, in order to keep rural telecommunications service rates at a reasonable level, consistent with and equal to rates in urban areas.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 750 is added to the Public Utilities Code,
- 2 to read:
- 3 750. The Legislature finds and declares all of the following:
- 4 (a) Rural telecommunications is critical to the health, safety,
- 5 and commerce of rural and remote portions of the state and,
- 6 consistent with the state's universal service policy, rural
- 7 telecommunications must continue to be affordable and accessible.

1 (b) The Public Utilities Commission’s Uniform Regulatory
2 Framework Phase 1 decision (Decision 06-08-030, filed August
3 24, 2006), provides for “deaveraging” of urban and rural
4 telecommunications service rates for both business and residential
5 customers, eliminating a longstanding policy that rural
6 telecommunications service rates be equal to urban rates for a
7 given telecommunications carrier.

8 (c) Although the deregulation of telecommunications service
9 rates included in the Uniform Regulatory Framework is justified
10 on the basis of the existence of competition between
11 telecommunications service providers, competition in rural and
12 remote areas of the state is far less likely to exist.

13 (d) The state has provided rate supports, through the California
14 High-Cost Fund-A Administrative Committee Fund and the
15 California High-Cost Fund-B Administrative Committee Fund, to
16 telecommunications service providers to maintain reasonable rates
17 in rural areas where costs are high in order to provide universal
18 service to consumers.

19 (e) It is the intent of the Legislature to continue the longstanding
20 policy of basing rural telecommunications service rates on urban
21 rates, and to continue the universal service program, in order to
22 keep rural telecommunications service rates at a reasonable level,
23 consistent with and equal to rates in urban areas.